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SUBJECT: ASSESSMENT OF AFGHAN MINISTER OF AGRICULTURE,  
IRRIGATION, AND LIVESTOCKQS FIRST ONE HUNDRED DAYS

#### SUMMARY AND COMMENT

11. (SBU) Afghanistan Minister of Agriculture, Irrigation, and Livestock (MAIL) Asif Rahimi took office in October 2008 with the aim of restructuring and revitalizing the Ministry and building on his success as Deputy Minister of Rural Rehabilitation and Development (MRRD). This cable provides an informal assessment of Minister Rahimi's performance in his first 100 days. Anecdotal evidence so far suggests that while Minister Rahimi is ambitiously working to re-launch and restructure MAIL's strategy and staff - including pushing for a massive increase in budget - he is significantly constrained by the challenges of MAIL's bloated and corruption-afflicted bureaucracy, especially in an election year. That said, Rahimi is considered by some donors to be a big improvement over his predecessor and there is hope that under his leadership this critical sector will receive more and better central government attention than it has in the past. End summary and comment.

#### BACKGROUND

12. (U) Asif Rahimi took over as Minister of MAIL in October 2008. Before becoming Minister, Rahimi was the Deputy Minister of MRRD, where he oversaw the widely applauded National Solidarity Program (NSP), an initiative that distributes block grants to Community Development Councils. MRRD was established in 2002 with assistance from donors and considerable support from expatriate advisors. MRRD was able to hire younger, more educated Afghans who were better compensated than most civil servants.

13. (SBU) MRRD has a history of high performance, transparency, and good field execution. MRRD and MAIL have traditionally been rivals for primacy in the work to develop rural Afghanistan, with MAIL focusing primarily on increasing agricultural production, improving irrigation systems, livestock, and rural enterprise development programs while MRRD focuses on community development and delivery of small-scale infrastructure projects. MAIL and MRRD are now working together more closely, following Rahimi's move. MAIL is an old ministry and especially influenced by the Soviet era in

which Kabul University agriculture graduates were guaranteed lifetime employment at MAIL. MAIL now has around 10,000 employees compared to only a few thousand at MRRD. Evidence suggests that MAIL has too many staff, with the majority based in Kabul.

#### MINISTER RAHIMIS TRANSITION AND NEW VISION FOR MAIL

14. (SBU) Minister Rahimis move to MAIL was largely seen by both MAIL and MRRD staff as a vindication of MRRDs more progressive approaches and success in comparison to MAIL, with its relatively bloated and corruption-afflicted bureaucracy. Rahimi brought with him from MRRD two key non-USAID expatriate advisors on whom the Minister relies for advice, decision-making, and strategy development. One of Minister Rahimis first major focus areas has been changing management, which has included re-deploying older, poor-performing civil servants to less prominent positions within the Ministry, including three deputy ministers. Further, MAIL requested donors to fund new embedded advisors as per the MRRD model, while existing donor-funded advisors - including those from USAID - were elevated in status. Despite these reform efforts, the overall mood of MAIL employees (according to some advisors) was mass confusion and depression. Minister Rahimi has also begun looking at financial management issues and exploring possible cases of corruption. Comment: International donors have welcomed Minister Rahimis appointment and have expressed optimism for change and progress in the agricultural sector. End Comment.

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15. (U) Minister Rahimis vision for MAIL and the revival of the agricultural sector of Afghanistan is to restore the countrys licit agricultural economy through increasing production and productivity, improved natural resource management (including water resources), improved physical infrastructure, and market development. This vision will be realized with a more comprehensive approach to agricultural development that is integrated with other ministries and partners, including the private sector. This new direction will use a bottom-up approach based at the community and district levels. Focus areas during his first 100 days have included food security, especially in the drought-affected areas, distribution of seed and fertilizer, and crop disease control. Future plans include addressing the top needs of farmers such as ensuring access to quality input supplies, irrigation and on-farm water supply, cold storage facilities, processing, training, farm equipment, agricultural credit, and policy analysis and reform.

16. (U) The Minister has shown an interest in increasing the role of the private sector in agricultural development, stating that MAIL needs to operate within defined public and private sector roles. Some specific initiatives to build the private sector include development of private farm equipment centers and strengthening the capacity of the private sector development department within MAIL. The Minister has also supported USAIDs establishment of private farm stores and the privatization of veterinary services.

#### COMBINED MAIL/U.N. AGRICULTURE TASK FORCE

17. (U) Almost simultaneously with Minister Rahimis transition to MAIL, the U.N. established - under World Bank chairmanship - a new Agriculture Task Force (ATF) to better coordinate donors agriculture programs. Minister Rahimi attended the first U.N. ATF meeting and explained that President Karzai has asked him to set up a similar task force under the direction of the Government of Afghanistan. The two task forces were then combined. Since that time the ATF has met every few weeks with

Minister Rahimis expatriate advisors setting the agenda and establishing the tasks to be performed. This continued reliance on expats is despite donor efforts to increase Afghan ownership.

#### FOCUS ON FOOD SECURITY CRISIS

¶8. (SBU) Immediately upon assuming MAIL leadership, Minister Rahimi established an expatriate food crisis coordinator and used the ATF donor group to better understand and coordinate all food crisis activities. Under the coordinator, MAIL has worked effectively with the U.N. World Food Program (WFP), the Food and Agriculture Organization (FAO), and MRRD to coordinate both WFP and government food distribution. MAIL has also been involved in improved seed and fertilizer distribution to increase food production, especially under a \$60 million USAID seed and fertilizer voucher program.

#### NEW ORGANIZATIONAL STRUCTURE AND BUDGET REQUEST

¶9. (U) MAIL has launched a new programmatic organizational chart that emphasizes five major areas of activity: Agriculture Production and Productivity, Agriculture Infrastructure, Economic Regeneration, Natural Resource Management, and Programmatic Support and Change Management. This new structure is not yet established in the form of formal civil service reform of MAIL; this will take at least 18-24 months to complete.

¶10. (SBU) According to MAILs expatriate advisor, the ministry requested a \$189 million development program budget for fiscal year 2009 - 2010, which runs from March 2009 to March 2010, of which \$34 million was unspent carryover from last fiscal year. However, the Ministry

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of Finance (MOF) approved only a total program budget of \$39.8 million. MOF would allow spending of up to an additional \$125 million if MAIL can secure it from donors; Rahimi has already flagged this funding shortfall to donors. All of these figures are for program spending and do not include MAILs operational budget for recurring costs such as salaries. Agriculture is prioritized in Afghanistans new National Development Strategy (presented in June 2008), and this request would have been a large increase over MAILs prior budgets. Comment: Since evidence suggests that MAIL has had difficulty programming and efficiently expending its existing budget, institutional capacity would need to be developed for MAIL to effectively implement programs at much higher funding levels. End Comment.

#### STAFF CHALLENGES

¶11. (SBU) Beyond seeking additional expatriate advisors to improve MAIL execution and performance, Minister Rahimi is working internally to identify existing MAIL employees who will be considered the leaders of the future. A list of 100-150 current MAIL employees who are considered to have management potential has been created and these employees have received special training. However, Minister Rahimi has also agreed with President Karzai not to lower the overall number of MAIL employees even though many are redundant. Many allegedly corrupt MAIL employees continue to serve in key positions though Minister Rahimi has publicly announced his intentions to rid MAIL of such problems.

#### COMMENT

¶12. (SBU) Minister Rahimi is trying to create and implement a reform program, but success will require time and political support. MAILs overall performance - both technically and administratively - is slow to change, an

we would not expect performance to show major improvement in just 100 days. Still, Rahimi is a big improvement over his predecessor and there is hope that under his leadership this critical sector will receive more and better central government attention than it has in the past.

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